



May 11, 2026

Ministry of Municipal Affairs and Housing
Intergovernmental Relations and Partnerships Branch
13th Floor, 777 Bay St
Toronto, ON
M7A 2J3

Public Works

10 Peel Centre Dr.
Suite A
Brampton, ON
L6T 4B9
tel: 905-791-7800

peelregion.ca

Re: Communal drinking water and wastewater system municipal consent requirements (ERO 026-0302)

Peel Region appreciates the opportunity to review the proposed changes outlined in the Environmental Registry of Ontario (ERO) posting *Communal drinking water and wastewater system municipal consent requirements*. Peel Region staff offer the following comments and recommendations.

PEEL REGION STAFF COMMENTS

Peel Region staff comments on this ERO consultation are related to matters of interest within the context of Peel’s current roles and responsibilities as service manager for water and wastewater systems and environmental stewardship. The comments contained in this submission are provided by Peel Region staff and are subject to endorsement by Regional Council. If additional or differing comments are provided through a Council resolution, they will be forwarded to the Ministry for consideration.

The proposed amendments have the potential to support housing supply and infrastructure delivery by enabling greater use of non-municipal communal systems, particularly in areas without timely access to municipal servicing. Increased certainty in the municipal consent process could reduce approval delays, encourage private investment, and support more efficient housing development; however, environmental protection and public health must remain paramount. To ensure these outcomes are achieved while maintaining strong safeguards, the following comments and recommendations are provided.

RECOMMENDATIONS

1. That clear and coordinated guidance be established for each stage of system development, including land use planning, municipal consent, provincial approvals, construction, and operation. Defined roles, responsibilities, and approval sequencing would improve transparency, predictability, and consistency for municipalities and proponents.
2. That municipal consent function as an early enabling approval, occurring after land use planning has confirmed the need for a non-municipal communal system, but prior to provincial approvals, construction, or operation. Municipal consent should confirm acceptance of the system’s location, ownership and governance structure, operational responsibility, and long-term viability. Additional clarity is needed



Public Works

10 Peel Centre Dr.
Suite A
Brampton, ON
L6T 4B9
tel: 905-791-7800

peelregion.ca

regarding when a Municipal Responsibility Agreement (MRA) would be required and how it aligns with the consent process.

3. That provincial approvals clearly follow municipal consent and include Environmental Compliance Approvals for wastewater systems and drinking water system approvals under the Safe Drinking Water Act, 2002. This sequencing would reduce duplication and regulatory uncertainty.
4. That strong oversight remain in place under the Safe Drinking Water Act, 2002, even where municipal consent under the Municipal Act is deemed to satisfy municipal consent requirements. This presupposes that provincial officers remain the enforcement authority and have designated capacity for performing inspections of communal systems at regular frequency to identify and manage health or environmental risks identified.
5. That differing municipal capacities be recognized, and the potential for municipal intervention in the event of system failure. Future regulations should require the system owner have robust financial assurance mechanisms sufficient to address lifecycle costs, emergency repairs, and potential assumption scenarios.
6. That the framework includes transparency for residents supplied by communal system to know how the system owner and operator is performing against the regulatory requirements.

Need for Strong Municipal Role in Evaluating Local Risk

While Peel Region recognizes the importance of supporting housing supply, decisions related to drinking water servicing must continue to reflect local hydrogeological realities, watershed conditions, and existing source protection vulnerabilities.

Communal systems proposed in areas with vulnerable aquifers, existing drinking water threats, or constrained water budgets require careful scrutiny. A regulatory approach that limits municipal flexibility could result in approvals that do not fully account for site-specific risks or cumulative impacts.

RECOMMENDATION: That municipalities retain clear authority to assess and, where necessary, refuse proposals that present unacceptable risks to drinking water sources. Regulations should explicitly recognize municipal authority to withhold consent where risks cannot be adequately mitigated, consistent with the precautionary and risk-based approach underpinning Ontario’s source protection framework.

Clear Linkage to Source Protection Requirements

It is essential that any approval process for communal systems be directly aligned with Ontario’s source water protection framework.

RECOMMENDATION: That any framework requiring municipal consent for communal systems must explicitly require consistency with approved Source Protection Plans under the Clean Water Act, 2006. Proposed systems located within wellhead protection areas or intake protection zones must conform with applicable source protection policies, including prohibitions, risk management measures, and restricted land uses. This requirement should be clearly embedded in regulation, rather than left to

Public Works

10 Peel Centre Dr.
Suite A
Brampton, ON
L6T 4B9
tel: 905-791-7800

peelregion.ca

interpretation, to avoid effectively bypassing established source water protection safeguards and to ensure consistency across municipalities.

Addressing the Gap for Private Communal Systems

At present, privately operated communal systems are not consistently captured within the existing source protection regime, despite serving residential populations in a manner similar to municipal systems. From Peel Region staff's perspective, this creates a gap in how drinking water sources are protected.

RECOMMENDATION: That systems supplying multiple users – regardless of ownership – should be evaluated using comparable standards to ensure risks are appropriately identified and managed. This includes consideration of:

- Protection zone delineation
- Vulnerability assessment
- Identification and management of drinking water threats

Alignment with Existing Municipal Processes

Municipalities already undertake comprehensive review processes for development proposals, including environmental assessments, hydrogeological studies, and source protection screening.

RECOMMENDATION: That the proposed consent framework build on – not duplicate or bypass – these established processes. Clear direction is needed on how provincial requirements will integrate with municipal review, including the role of Risk Management Officials where applicable. Early and coordinated consideration of source protection requirements will improve decision-making, ensure consistency, and reduce delays or rework later in the approval process.

Peel Region relies on *MECP D-5-5 Private Wells: Water Supply Assessment* and *D-5-4 Individual On-Site Sewage Systems Water Quality Impact Risk Assessment* in its technical review of privately serviced developments in Ontario. The most recent revision of these guidelines was in 1996 – now more than 30 years old – and reference now inapplicable provincial regulations, agencies, policies, and in some cases outdated professional standards. For example, since the transfer of responsibility for small sewage systems from the *Environmental Protection Act* to the *Ontario Building Code, Policy B-7* now applies to systems with daily sewage flows of more than 10,000 L/day and require an Environmental Compliance Approval (ECA) from the Ministry of Environment, Conservation and Parks.

RECOMMENDATION: That the Province provide updated guidance to accompany changes to communal drinking water and wastewater system municipal consent requirements.

Peel Region has invested significantly in developing thorough standards and these should be utilized at a minimum.

RECOMMENDATION: That existing municipal standards for communal systems be respected.



Public Works

10 Peel Centre Dr.
Suite A
Brampton, ON
L6T 4B9
tel: 905-791-7800

peelregion.ca

In certain cases, extension of the municipal system to service the community is a better option than building a standalone community system. The municipality has environmental and utility expertise and responsibility, along with awareness of their infrastructure locations and future plans, that should be leveraged in decision-making on the ultimate approach for servicing new communities.

RECOMMENDATION: That regulations establish a responsibility for developers to explore options in consultation with the municipality and obtain municipal consent before proceeding with planning to establish a communal system.

Ongoing Responsibility for Communal System Operation

The proposal is unclear about what entity will be responsible for system operation, maintenance, monitoring and reporting obligations, and financial oversight. Further, should the system components or operational oversight fail to meet requirements, it is unclear whether another entity – such as the municipality – will be required to assume accountability for the system.

RECOMMENDATIONS:

1. That each communal system be issued a system-specific, risk-based approval instrument that clearly outlines requirements for operation, maintenance, monitoring, event response, and reporting.
2. That regulations stipulate required qualifications for system operators.
3. That regulations or approval instruments clearly indicate responsible entity for system operation, maintenance, monitoring, reporting, and financing.
4. That the regulations or approval instruments clearly indicate whether another entity will become responsible for assuming communal system oversight under certain conditions (such as system failure, repeated violation of approval instrument conditions, or financial insolvency), and who that entity would be – the municipality or otherwise.
5. That these systems be incorporated into the Clean Water Act.
6. That regulations require financial planning sufficient to operate and maintain the system, including financial assurance mechanisms available to entities who assume responsibility of a communal system to assist with costs associated with system rehabilitation and staff resources.
7. That regular funding be provided for *Clean Water Act* s.36 updates including chapter 2 changes (watershed characterization, water systems and use under O. Reg. 170, land use, etc.).
8. That regulations indicate oversight authority will remain with the Province, including inspection and enforcement.

Long-Term Implications and Municipal Exposure

The proposal raises significant concerns regarding municipal liability, oversight, and long-term accountability for non-municipal communal systems following approval. Peel Region



Public Works

10 Peel Centre Dr.
Suite A
Brampton, ON
L6T 4B9
tel: 905-791-7800

peelregion.ca

staff are seeking clarity on roles related to maintenance, inspection and regulatory enforcement, as well as who bears financial and operational responsibility. Without clear delineation, there is risk that municipalities may assume liability and oversight responsibilities without corresponding authority or resources.

In situations where the municipality consents, but the system fails to perform as intended, it is unclear if accountability will fall upon the municipality.

Communal systems introduce ongoing operational and financial considerations that extend beyond initial approval. In cases where communal systems perform poorly, fail or are no longer viable, municipalities may be required to step in to maintain service. Even if not legally obligated, Peel Region may still face pressure to assume ownership or operational responsibility, for the protection of public health and the environment. Peel Region may be forced to rehabilitate communal systems or expedite extension of municipal systems to service the area. This creates potential exposure for the municipality where systems have not been designed, assessed, operated, or funded to the same standard as municipal infrastructure. Peel Region has assumed dysfunctional systems in the past at the cost of taxpayers. Further, assumption of communal system places pressure on municipal staff and financial resources and risks reputational damage where communal systems do not perform as intended.

RECOMMENDATION: That the Province establish robust upfront requirements to help mitigate long-term risks and reduce the likelihood of municipalities inheriting unplanned liabilities, including:

- Source protection technical studies at the approval stage
- Financial assurance mechanisms
- Clear accountability over the full lifecycle of the system.

Consideration of Broader Servicing and Watershed Impacts

The use of communal systems as an alternative to municipal servicing has the potential to influence long-term growth patterns and infrastructure planning.

Allowing growth to proceed through communal systems may undermine long-term municipal servicing strategies and planning-based source water protection. In groundwater-reliant areas, multiple smaller systems may collectively place pressure on water resources if not assessed at an appropriate scale.

There is also a risk that such systems could be used to advance development in areas not currently planned for municipal servicing.

RECOMMENDATION: That municipalities be able to consider the following when evaluating proposals:

- Long-term servicing strategies
- Cumulative impacts on water resources and watershed conditions
- Source protection objectives



Public Works

10 Peel Centre Dr.
Suite A
Brampton, ON
L6T 4B9
tel: 905-791-7800

peelregion.ca

This will ensure decisions align with broader planning frameworks and the preventative, watershed-based approach to drinking water protection.

CONCLUSION

Peel Region supports the Province’s objective of enabling flexible servicing approaches to help support housing supply and to improve clarity and consistency in the approval of communal drinking water and wastewater systems. However, to achieve this, the Province must establish a clear and enforceable framework that:

- Preserves the ability of municipalities to respond to local conditions and risks
- Clearly aligns with source water protection requirements under the Clean Water Act, 2006
- Addresses existing gaps related to private communal systems
- Recognizes long-term operational, financial, and liability considerations
- Supports coordinated, watershed-based planning and servicing approaches
- Aligns with existing Environmental Compliance Approval processes
- Defines clear oversight authority for inspection and enforcement.

Peel Region encourages the Province to strengthen the proposed regulations before implementation by embedding these safeguards directly into the final framework, ensuring communal systems support housing supply and infrastructure delivery without weakening Ontario’s drinking water protections, bypassing source protection requirements, or shifting long-term risk to municipalities and their residents.

If you have any questions or require more information, please contact me at anthony.parente@peelregion.ca.

Kind Regards,

Signed by:

27D2A0DF6C854BB...

Anthony Parente, P.Eng.
General Manager, Water and Wastewater Divisions
Peel Region, Public Works